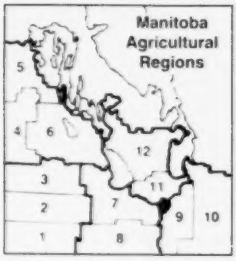
PROGRAM & POLICY ANALYSIS

Agriculture Statistics



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SUBJECT: **FARM INCOME SITUATION, (2002)[P] AND OUTLOOK (2003)[E]**

MANITOBA HIGHLIGHTS

Situation 2002:

- Manitoba farm cash receipts are projected at $3.61 billion in 2002, a 2.3% decline from $3.69 billion in 2001.
- In 2002, the crop cash receipts are estimated to have increased 13.3% to $1.68 billion from the $1.49 billion of 2001. The higher prices of most crops offset the decline in the quantities marketed. Livestock receipts are projected at $1.69 billion in 2002, a decline of 7.2% from the $1.82 billion of 2001. Although livestock marketings were up for most livestock categories, prices were lower in 2002.
- Direct payments to Manitoba producers in 2002 are expected to have declined 39%, to $233.3 million in 2002, from $382.1 million in 2001.
- Farm operating expenses are expected to decrease slightly to $2.66 billion in 2002, from $2.67 billion in 2001.
- Net cash income may be down by 7.2% to 947.6 billion in 2002. Realized net income (after depreciation) could decline 10.8% to 596.2 billion. Total net farm income may decline 25.5% to $491.4 billion, following a drop in the value of inventory change.

Outlook 2003:

- Net cash receipts may increase 7% in 2003. Receipts from livestock production may increase 11% on both price and quantity increases. Receipts from crops may increase 5.6%.
- In 2003, direct payments could decrease 10% to $209 million.
- Farm net operating expenses for 2003 have been projected at 10% above 2002.
- An increase in inventories and their value should improve the value of inventory change.
- In 2003, net cash income and the realized net income are expected to remain virtually the same as in 2002. The realized net income could be $595 million. The total net income, after inventory change, could increase by 59% to $780 million.

SOURCE: Statistics Canada.

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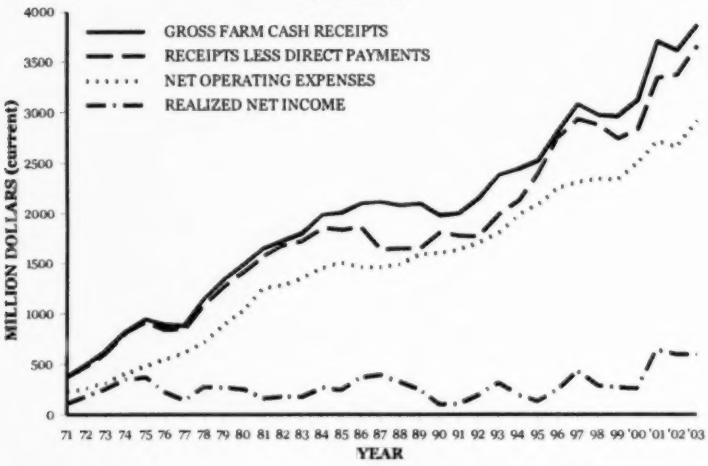
TABLE 1: FARM INCOME SUMMARY, MANITOBA, 2002-2003*[R]

	2001[R]	2002[P]	2003[E]	03/02
	- million of dollars -			%
Crop Receipts	1,487	1,684	1,778	106
Livestock Receipts	1,819	1,688	1,874	111
Market Receipts	3,307	3,372	3,652	108
Total Payments[1]	382	233	209	90
Total Cash Receipts	**3,689**	**3,606**	**3,861**	**107**
Net Operating Expenses	**2,667**	**2,658**	**2,915**	**110**
Net Cash Income	**1,021**	**948**	**947**	**100**
Income-In-Kind	9	9	9	100
Depreciation Charges	362	360	361	100
Realized Net Income	**668**	**596**	**595**	**100**
Value of Inventory Change	-9	-105	185	-
TOTAL NET INCOME	**660**	**491**	**780**	**159**

* Totals may not add due to rounding. [R] Revised [P] Preliminary [E] Estimated

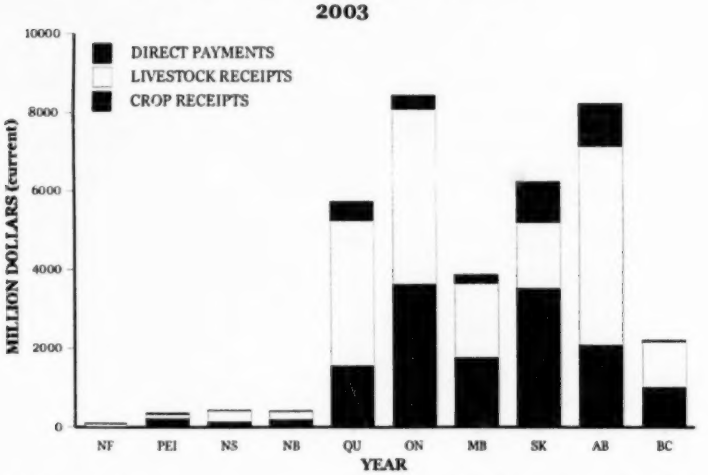
[1] Includes gross payments directly paid to producers under Crop Insurance including private hail insurance, Dairy Subsidy, NISA and ad-hoc income support programs including Canada Farm Income Program, Canada/Manitoba Adjustment Program, AIDA and Manitoba Farm Disaster Assistance Program. Program premiums or levies paid by producers are included in operating expenses.

FARM INCOME AND EXPENSES
1971-2003



Source: Statistics Canada *Market Analysis and Statistics Section, Manitoba Agriculture and Food*

FARM CASH RECEIPTS BY PROVINCE
2003



Source: Statistics Canada, AAFC *Market Analysis and Statistics Section, Manitoba Agriculture and Food*

TABLE 2: FARM INCOME SUMMARY, PROVINCES, 2001-2003[R]

	2001	2002	2003	03/02
	million dollars			%
SASKATCHEWAN				
Crop Receipts	3,850	3,600	3,537	98
Livestock Receipts	1,695	1,610	1,673	104
Market Receipts	5,545	5,210	5,210	100
Total Payments[1]	1,022	1,127	1,022	91
Total Cash Receipts	6,567	6,337	6,232	98
Net Operating Expenses	4,700	4,612	5,050	109
Net Cash Income	1,867	1,725	1,183	69
Realized Net Income	987	843	300	36
Total Net Income	265	71	1,653	2,328
ALBERTA				
Crop Receipts	2,291	2,010	2,097	104
Livestock Receipts	5,189	5,009	5,049	101
Market Receipts	7,480	7,019	7,146	102
Total Payments[1]	819	1,060	1,080	102
Total Cash Receipts	8,299	8,079	8,232	102
Net Operating Expenses	6,173	5,754	6,164	107
Net Cash Income	2,126	2,326	2,069	89
Realized Net Income	1,110	1,304	1,049	80
Total Net Income	867	411	1,946	473
BRITISH COLUMBIA				
Crop Receipts	1,011	1,011	1,023	101
Livestock Receipts	1,143	1,109	1,152	104
Market Receipts	2,154	2,120	2,175	103
Total Payments[1]	60	35	35	100
Total Cash Receipts	2,214	2,155	2,210	103
Net Operating Expenses	1,704	1,756	1,836	105
Net Cash Income	510	399	374	94
Realized Net Income	316	202	175	87
Total Net Income	325	212	191	90
ONTARIO				
Crop Receipts	3,160	3,474	3,636	105
Livestock Receipts	4,551	4,291	4,462	104
Market Receipts	7,711	7,966	8,098	102
Total Payments[1]	777	589	349	59
Total Cash Receipts	8,488	8,354	8,447	101
Net Operating Expenses	6,675	6,821	7,055	103
Net Cash Income	1,813	1,534	1,393	91
Realized Net Income	890	609	466	77
Total Net Income	777	708	586	83
QUEBEC				
Crop Receipts	1,309	1,494	1,560	104
Livestock Receipts	3,771	3,552	3,711	104
Market Receipts	5,080	5,046	5,271	104
Total Payments[1]	608	478	467	98
Total Cash Receipts	5,689	5,524	5,738	104
Net Operating Expenses	4,439	4,455	4,742	106
Net Cash Income	1,250	1,069	996	93
Realized Net Income	753	566	483	85
Total Net Income	826	634	530	84
CANADA				
Crop Receipts	13,593	13,821	14,207	103
Livestock Receipts	18,851	17,910	18,597	104
Market Receipts	32,444	31,731	32,804	103
Total Payments[1]	3,752	3,567	3,194	90
Total Cash Receipts	36,196	35,297	35,998	102
Net Operating Expenses	27,368	27,078	28,808	106
Net Cash Income	8,828	8,219	7,190	87
Realized Net Income	4,848	4,222	3,179	75
Total Net Income	3,750	2,741	5,816	212